

WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2009

SPEECH OF

HON. TODD TIAHRT

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 9, 2009

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes:

Mr. TIAHRT. Madam Chair, on June 30, 2009, the Obama Administration released details of its proposal to establish a Consumer Financial Protection Agency as an independent agency in the executive branch to regulate the provision of financial products and services to consumers. Five months later, Congressman FRANK, Chairman of the House Financial Services Committee, has turned this proposal into a 1,300-page bill that further extends the federal government's hands into more aspects of our economy.

I oppose this legislation for several reasons. One, it will permanently extend the Troubled Assets Relief Program (TARP)—something that I've been actively trying to end. I recently introduced legislation that will effectively end TARP by eliminating the Treasury Secretary's authority to utilize this program. This bill also creates another czar—a Credit Czar. This unelected official is granted the authority to restrict access to credit and impose taxes on consumers and small businesses.

These reforms will continue to perpetuate the bailout mentality that has plagued our Nation and eliminate access to credit for many small businesses and families at a time when they need it most.

One of the most troubling aspects of this bill is the vague, subjective standards that non-financial companies must meet. One such example of the bill's vagueness is found in the definition of businesses that engage in "financial activities" and those that pose a "systematic risk" to the stability of the financial market.

A business that engages in "financial activities," is now subject to increased regulations and fees. Exactly who comes under this definition, however, is not that clear. Maybe this will fall under the new "Credit Czar's" job description. Nonetheless, this bill will drastically affect businesses, specifically non-financial businesses that had no part in the irresponsible decisions that lead to the market collapse in 2008.

Vague definitions expose non-financial businesses that utilize the commodity and derivatives markets to manage risk and plan for the future. These markets, which date from the 1980s, involve hedgers. Hedgers, producers or commercial users of commodities, trade in futures to offset price risk. They use the markets to lock in today's price for transactions that will occur in the future, shielding their businesses from unfavorable price changes.

This bill restricts the use of these practical business tools. These practical tools encourage job creation and provide customized hedges to help businesses like farmers, grocery stores and energy companies to manage price volatility, so that retail prices can remain

low and stable. Yet H.R. 4173 authorizes government regulators to arbitrarily impose capital and margin requirements for "over the counter" (OTC) derivatives, and impose new capital requirements for cleared swaps, which would lead to increased retail prices and make it less likely that corporations could engage in responsible risk management.

Companies that utilize these markets to shield themselves from future risk and uncertainty in the energy markets should not be penalized for planning ahead. Unless the definition of "financial activities" and others like it are changed, companies who have not contributed to the market collapse will be required to shell out large sums of money as security for increased regulations. This will no doubt drive up operational costs and increase the price of energy.

In the midst of continuing economic turmoil, this bill increases the size of government, expands its reach in the marketplace, jeopardizes the safety and soundness of many of America's financial companies and non-financial companies, and significantly increases the cost of credit for all consumers at a time when consumers can least afford it.

For the above reasons, I am opposed to this bill. I encourage my colleagues to vote no.

CLIMATEGATE: THE DESTROYED DOCUMENTS

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 2009

Mr. BARTON of Texas. Madam Speaker, I submit the executive summary document concerning the suppressed comments on the EPA endangerment finding for inclusion in the RECORD. The entire document, 'Comments on Draft Technical Support Document for Endangerment Analysis for Greenhouse Gas Emissions under the Clean Air Act,' will be available on the Energy and Commerce Committee website.

COMMENTS ON DRAFT TECHNICAL SUPPORT DOCUMENT FOR ENDANGERMENT ANALYSIS FOR GREENHOUSE GAS EMISSIONS UNDER THE CLEAN AIR ACT

(By Alan Carlin, NCEE/OPEI)

Based on TSD Draft of March 9, 2009

March 16, 2009

We have become increasingly concerned that EPA has itself paid too little attention to the science of global warming. EPA and others have tended to accept the findings reached by outside groups, particularly the IPCC and the CCSP, as being correct without a careful and critical examination of their conclusions and documentation. If they should be found to be incorrect at a later date, however, and EPA is found not to have made a really careful independent review of them before reaching its decisions on endangerment, it appears likely that it is EPA rather than these other groups that may be blamed for any errors. Restricting the source of inputs into the process to these two sources may make EPA's current task easier but it may come with enormous costs later if they should result in policies that may not be scientifically supportable.

We do not maintain that we or anyone else have all the answers needed to take action now. Some of the conclusions reached in these comments may well be shown to be in-

correct by future research. Our conclusions do represent the best science in the sense of most closely corresponding to available observations that we currently know of, however, and are sufficiently at variance with those of the IPCC, CCSP, and the Draft TSD that we believe they support our increasing concern that EPA has not critically reviewed the findings by these other groups.

As discussed in these comments, we believe our concerns and reservations are sufficiently important to warrant a serious review of the science by EPA before any attempt is made to reach conclusions on the subject of endangerment from GHGs. We believe that this review should start immediately and be a continuing effort as long as there is a serious possibility that EPA may be called upon to implement regulations designed to reduce global warming. The science has and undoubtedly will continue to change and EPA must have the capability to keep abreast of these changes if it is to successfully discharge its responsibilities. The Draft TSD suggests to us that we do not yet have that capability or that we have not used what we have.

We would be happy to work with and assist anyone who might want to undertake such a serious review of the science and hope that these comments will at least illustrate the scope of what we believe is needed.

We hope that the reader will excuse the many unintentional errors that are undoubtedly in these comments. Our only excuse is that we had less than four days to draft these very lengthy and complex comments. It has not been possible to fully adhere to our usual very high standards of accuracy as a result. If there should be questions, we will be happy to try to correct any errors that anyone may find, however.

It is of great importance that the Agency recognize the difference between an effort that has consumed tens of billions of dollars by the IPCC, the CCSP, and some additional European, particularly British, funding over a period of at least 15 years with what two EPA staff members have been able to pull together in less than a week. Obviously the number of peer reviewed papers that exist and the polish of the summary reports cannot be compared. What is actually noteworthy about this effort is not the relative apparent scientific shine of the two sides but rather the relative ease with which major holes have been found in the GHG/CO₂/AGW argument. In many cases the most important arguments are based not on multi-million dollar research efforts but by simple observation of available data which has surprisingly received so little scrutiny. The best example of this is the MSU satellite data on global temperatures. Simple scrutiny of this data yields what to us are stunning observations. Yet this has received surprisingly little study or at least publicity. In the end it must be emphasized that the issue is not which side has spent the most money or published the most peer-reviewed papers, or been supported by more scientific organizations. The issue is rather whether the GHG/CO₂/AGW hypothesis meets the ultimate scientific test—conformance with real world data. What these comments show is that it is this ultimate test that the hypothesis fails; this is why EPA needs to carefully reexamine the science behind global warming before proposing an endangerment finding. This will take more than four days but is the most important thing we can do right now and in the coming weeks and months and possibly even years.

EXECUTIVE SUMMARY

These comments are based on the draft Technical Support Document for Endangerment Analysis for Greenhouse Gas